

Milk Pricing

NEWSLETTER

Dairy Marketing Branch, CDFA

April 2007

Commodity Prices Remain Strong, Continue to Inch Upward . . .

The minimum price of milk, established by the Department each month, is the price that dairy processors must pay for milk used to produce dairy products. National commodity prices, primarily butter, Cheddar cheese, nonfat dry milk and dry whey, are significant factors in determining the minimum milk price (*See national commodities prices chart on page 2*).

The national commodity prices for Grade AA Butter, Cheddar cheese, nonfat dry milk and Western dry whey increased compared to last month, consequently, all milk prices increased: whole milk increased eight and six tenths cents per gallon; reduced fat milk increased eight and eight tenths cents per gallon; lowfat milk increased nine and one tenth cents per gallon; and skim milk increased seven and four tenths cents per gallon.

**See lowest reported lawful retail milk prices on page 2.*

Milk production across the U.S. continues to be steady and slightly above last year levels, even as parts of the country experience late winter weather conditions. California weather has been spring-like for the last couple of months and many milk producers are already in the midst of the spring flush. Cheese production in California continues to be strong and averaging higher than production levels of this time last year.

The table below shows individual prices for the four types of fluid milk by container size and the price changes from the previous month. The prices listed represent the minimum price paid by processors for the milk only - no other processing costs are included.

Minimum Prices for the Four Types of Fluid Milk by Container Size for May 2007

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Northern California						
Whole	\$1.500	\$0.750	\$0.375	\$0.187	\$0.125	\$0.094
Reduced Fat 2%	\$1.443	\$0.722	\$0.361	\$0.180	\$0.120	\$0.090
Lowfat 1%	\$1.418	\$0.709	\$0.355	\$0.177	\$0.118	\$0.089
Nonfat (Skim)	\$1.113	\$0.556	\$0.278	\$0.139	\$0.093	\$0.070
Southern California						
Whole	\$1.523	\$0.762	\$0.381	\$0.190	\$0.127	\$0.095
Reduced Fat 2%	\$1.467	\$0.733	\$0.367	\$0.183	\$0.122	\$0.092
Lowfat 1%	\$1.442	\$0.721	\$0.360	\$0.180	\$0.120	\$0.090
Nonfat (Skim)	\$1.137	\$0.569	\$0.284	\$0.142	\$0.095	\$0.071

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$0.086	\$0.043	\$0.022	\$0.011	\$0.007	\$0.005
Reduced Fat 2%	\$0.088	\$0.044	\$0.022	\$0.011	\$0.007	\$0.006
Lowfat 1%	\$0.091	\$0.045	\$0.023	\$0.011	\$0.008	\$0.006
Nonfat (Skim)	\$0.074	\$0.037	\$0.019	\$0.009	\$0.006	\$0.005

California Department of Food and Agriculture (CDFA)

A.G. Kawamura, Secretary

Price Information Lines: (800) 503-3490 within California; (916) 442-MILK outside California
Phone (916) 341-5988; Website: www.cdfa.ca.gov/dairy; email address: dairy@cdfa.ca.gov

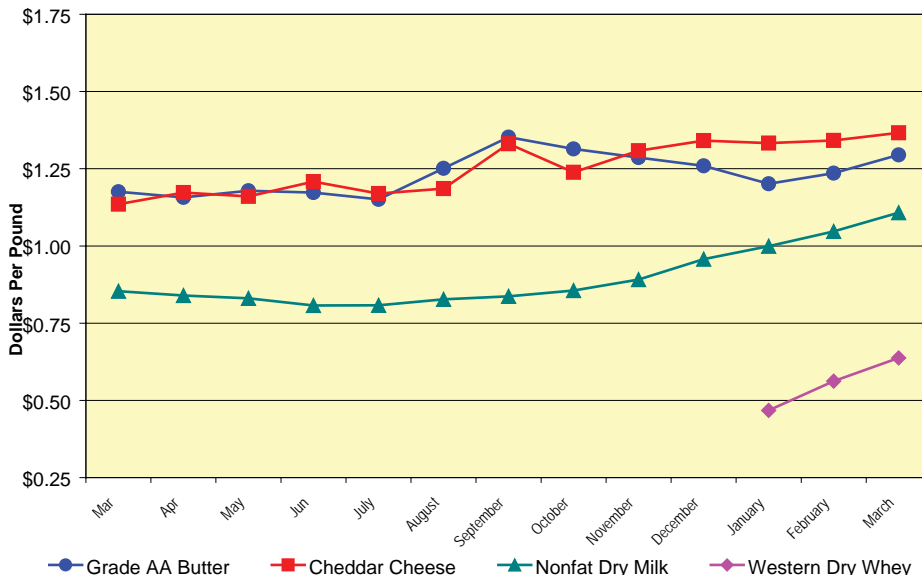
Minimum Prices for the Milk Component of Various Manufactured Dairy Products

The minimum prices for the raw milk component used by processors in manufacturing dairy products are listed in the table to the right. No other costs incurred by the processor are included, such as:

- milk quality premiums,
- milk composition premiums,
- competitiveness for availability of milk premiums,
- transportation costs,
- plant processing costs,
- service charges
- marketing costs

	Lowfat Yogurt (\$/quart)	Super-Premium Ice Cream (\$/ 1/2 gal)	Generic Ice Cream (\$/ 1/2 gal)
April	\$0.19	\$1.17	\$0.45
May	\$0.19	\$1.17	\$0.45
June	\$0.19	\$1.14	\$0.44
July	\$0.19	\$1.14	\$0.44
August	\$0.18	\$1.13	\$0.44
September	\$0.18	\$1.13	\$0.44
October	\$0.19	\$1.24	\$0.48
November	\$0.19	\$1.24	\$0.48
December	\$0.20	\$1.29	\$0.50
January '07	\$0.20	\$1.29	\$0.50
February	\$0.22	\$1.28	\$0.50
March	\$0.22	\$1.28	\$0.50

National Commodity Prices March 2006 - March 2007



Lowest Reported Lawful Retail Prices for Milk April 2007

	Two-Pack	Single Gallon
<u>Northern California</u>		
Whole Milk	\$4.99	\$2.50
Reduced Fat	\$4.79	\$2.40
1% Lowfat	\$4.79	\$2.40
Nonfat/Skim	\$4.19	\$2.10
<u>Southern California</u>		
Whole Milk	\$4.99	\$2.50
Reduced Fat	\$4.79	\$2.40
1% Lowfat	\$4.79	\$2.40
Nonfat/Skim	\$4.09	\$2.05

This newsletter can also be found on our website at:
www.cdffa.ca.gov/dairy/milkpricing-nl.html

In accordance with the California Government Code and ADA requirements, this publication can be made available in an alternative format by contacting Karen Dapper at (916) 341-5988, by email at dairy@cdffa.ca.gov, or by contacting TDD 1-800-735-0193.

California Department of Food and Agriculture
Dairy Marketing Branch
1220 N Street
Sacramento, CA 95814



First Class Mail
U.S. Postage
PAID
Permit No. 81
Sacramento, CA